

MINUTES OF MEETING OF THE BOARD OF PUBLIC WORKS, OCTOBER 16th, 1948.

The Board of Public Works met in the office of the Governor, Davison Building, Baltimore, Maryland, on Saturday, October 16, 1948.

There were present:

Wm. Preston Lane, Jr., Governor
James J. Lacy, Comptroller
Hooper S. Miles, Treasurer.

Mr. Hall Hammond, Attorney General, also attended the meeting.

STATE OFFICE BUILDING-Baltimore:

The Governor announced that negotiations had been underway for sometime, looking toward the acquisition of the O'Sullivan Building, Baltimore, to house the various State Agencies now located in Baltimore in various buildings.

The Governor requested Mr. Hall Hammond, Attorney General, to read the Agreement which had been prepared following the negotiations and which covers the terms and conditions on which the owners of the building and the State Officials had tentatively agreed. Mr. Hammond thereupon read the proposed agreement, as follows:

"THIS AGREEMENT Made this 15th day of October, 1948, between O'Sullivan, Inc., a body corporate, of the State of Maryland, hereinafter called "Seller", and the STATE OF MARYLAND-BOARD OF PUBLIC WORKS, hereinafter called "Buyer".

WHEREAS, Seller, as Lessor in the separate agreement of even date herewith made between the parties hereto, has agreed to demise and lease unto Buyer, as Lessee in said separate agreement, space in the property hereinafter described and known as the O'Sullivan Building, in the City of Baltimore, Maryland, for use as offices and for no other purpose; said lease agreement having been made upon condition that Seller would give and grant to Buyer an option to purchase said property.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, That for and in consideration of the premises and in consideration of the sum of One Dollar (\$1.00) to it paid by Buyer, (Seller hereby acknowledging the receipt thereof) Seller hereby gives and grants unto Buyer the exclusive option and privilege to purchase all that tract or lot of land with the buildings and improvements thereon, situate in the City of Baltimore, Maryland, described as follows:

Beginning for the same at the corner formed by the intersection of the south side of Baltimore Street and the west side of Light Street, and running thence southerly, binding on the west side of Light Street, one hundred and ninety-four feet, nine and one-half inches to the corner formed by the intersection of the west side of Light Street and the north side of Redwood Street; thence westerly, binding on the north side of Redwood Street, one hundred and thirteen feet one and one-quarter inches to the corner formed by the intersection of the north side of Redwood Street and the east side of Wine Alley; thence northerly, binding on the east side of Wine Alley, fifty-one feet eight and three-quarter inches to the north side of Wine Alley as it bends and runs westerly to Charles Street; thence easterly in continuation of said north side of Wine Alley one foot to the east side of the east wall of the building erected on the lot of ground adjoining to the west of the lot now being described; thence northerly, binding on the east line of said east wall, one hundred and forty-three feet eight inches to the south side of Baltimore Street, which point is distant one hundred and ninety-two feet nine inches easterly from the corner formed by the intersection of the south side of Baltimore Street and the east side of Charles Street; and running thence easterly, binding on the south side of Baltimore Street; one hundred and eleven feet, two and one-quarter inches to the place of beginning.

BEING THE same property conveyed to Baltimore Realty Trust, Incorporated,

(now O'Sullivan, Inc.) by Baltimore Trust Company, by deed dated February 27, 1931, and recorded among the Land Records of Baltimore City in Liber S. C. L. 5199, Folio 162, said property being known as the O'Sullivan Building, with the postoffice address of No. 10 Light Street, Baltimore, Maryland. The said land and improvements are hereinafter referred to as "the property herein described".

Said option is upon the following terms and conditions:

(1) The total agreed purchase price is Five Million Dollars (\$5,000,000.00), payable as follows:

There shall be deducted from the purchase price to be paid by the Buyer to the Seller the principal balance due, as of April 1, 1949, to the Metropolitan Life Insurance Company, as mortgagee of the property herein described, under the terms of (1) a mortgage on said property dated February 27, 1931, and recorded among the Land Records of Baltimore City in Liber S. C. L. 5200, Folio 170, and (2) a mortgage on said property from O'Sullivan, Inc., to Metropolitan Life Insurance Company, dated November 13, 1947, and recorded among said Land Records in Liber M. L. P. 7277, Folio 11, as said mortgages, or either of them, are amended, modified or affected by (3) an Agreement between O'Sullivan, Inc., and the Metropolitan Life Insurance Company, dated November 13, 1947, and recorded among said Land Records in Liber M.L.P. 7277, Folio 16, so that the Buyer will pay and the Seller will receive at the time of final closing, as hereinafter provided, an amount equal to the difference between the amount of the said principal balance due the Metropolitan Life Insurance Company, mortgagee, as of April 1, 1949, and Five Million Dollars (\$5,000,000.00), and the Buyer, upon the conveyance to it by the Seller of the property herein described will receive and hold said property subject to the aforesaid mortgages and agreement.

(2) Buyer, in the event of its election to purchase said property, shall give Seller written notice of such election, by registered mail, to be addressed to Seller at its office in the City of Baltimore, on or before the first day of April, 1949. Title shall be closed and the deed hereinafter provided for shall be delivered to Buyer at its office in the City of Baltimore within forty-five (45) days following the giving of such notice or at such time and upon such other date as may be mutually agreed upon by the parties. In this connection, the parties mutually agree that the day and hour for final closing, whether during such forty-five (45) day period or thereafter, shall be agreed upon by them at least three (3) days prior to the closing date.

(3) As an additional consideration in the granting of this option, Buyer agrees that in the period between the date hereof and April 1, 1949, that if space in the O'Sullivan Building now under lease shall be vacated either upon the expiration or other termination of existing leases or renewals thereof, Buyer will lease the same from Seller at the Current rental rate which would be payable under the lease or renewal which terminates, for a period of not less than one (1) year nor more than three (3) years, as may be mutually agreed upon between the Seller and Buyer, by lease in substantially the form now generally used by the Buyer in the leasing of office space by it. In this connection, it is mutually agreed by the parties that Buyer is to take possession of space made available to it, from time to time, and which it hereby obligates itself to lease, as of the first day of the calendar month, and, therefore, Seller agrees to furnish Buyer notice in writing at least thirty (30) days prior to the first day of the month on which such space is to be made available to the Buyer; and Buyer shall, upon the receipt of each such notice, promptly note its acceptance and confirmation thereof. The parties mutually agree that the first day of the month specified in such notice shall constitute the effective day of the lease with respect to the space in question.

(4) Seller shall convey to Buyer by the usual form of special warranty deed the property herein described, known as the O'Sullivan Building, in fee simple, free and clear of all liens, assignments of rent or other encumbrances, save (1) a mortgage on said property from Baltimore Realty Trust, Incorporated, to Metropolitan Life Insurance Company dated February 27, 1931, and recorded in the Land Records of Baltimore City in

Liber S.C.L. 5200, Folio 170, and (2) a mortgage on said property from O'Sullivan, Inc., to Metropolitan Life Insurance Company, dated November 13, 1947, and recorded among the said Land Records in Liber M.L.P. 7277, Folio 11, as said mortgages, or either of them, are amended, modified or affected by (3) an Agreement between O'Sullivan, Inc., and the Metropolitan Life Insurance Company, dated November 13, 1947, and recorded among said Land Records in Liber M.L.P. 7277, Folio 16. Such conveyance shall be made subject to all existing ordinances, restrictions and conditions of record, if any, and to the rights of tenants in possession or holding leases to any part of said land and premises.

(5) The parties mutually and reciprocally agree that all rentals or other income and all taxes, assessments, mortgage interest, insurance premiums, water charges, charges for electrical current and other services and all other charges, if any, on the property herein described shall be adjusted pro rata as of April 1, 1949, regardless of the actual date of the delivery of the deed and final closing of the transaction. The Seller shall retain possession of the property herein described until delivery of the deed and final settlement. Between the date hereof and April 1, 1949, the Seller shall manage, maintain and operate the said property for its own account, but shall not execute any lease or renew or otherwise extend any lease or the right of occupancy of any tenant for a period longer than one year. If the Buyer shall exercise the option given by paragraph numbered (2) hereof, and delivery of the deed and final settlement shall not be made by April 1, 1949, the Seller shall manage the property herein described as agent for the Buyer between April 1, 1949, and the date of delivery of the deed and final settlement, and shall receive as compensation five percent (5%) of the gross rentals during said period.

(6) Buyer agrees to arrange for the examination of Seller's title at a time which will enable Buyer to furnish Seller, within twenty (20) days of the date of the giving of the notice by Buyer to Seller as provided in paragraph numbered (2) hereof, with a written list of any defects in or objections to the title, which Seller agrees to deliver under paragraph numbered (4), pointed out by the examining Title Company or attorney. Buyer, in the event of the failure of the examining Title Company or attorney to complete the title search on the property herein described within the twenty (20) day period, shall have the right to furnish Seller with such list of title defects or objections at a later date, provided always that such list is furnished promptly following its receipt by Buyer from the examining Title Company or attorney, and provided further that Buyer makes every reasonable effort to have the examining Title Company or attorney complete the search and furnish the Buyer a report thereon within the twenty (20) day period mentioned.

Buyer may, if it elects, decline to consummate the purchase of the property herein described if any material defects pointed out in writing to Seller are not cured or removed by the Seller.

(7) Seller shall, at its own expense, keep the building and improvements on the property herein described in as good condition as same now are, save except ordinary wear and tear resulting from reasonable use. In this connection, however, it is expressly agreed that in the event of the destruction of or substantial damage to the building and improvements on the property herein described by fire, an Act of God, or any other force majeure cause, the Seller shall not be required to rebuild or restore unless it elects to do so. If the said improvements are not rebuilt or restored, this Agreement shall be cancelled and thereafter be of no further force and effect, provided such destruction or damage occurs before April 1, 1949, unless Buyer shall have previously notified Seller of Buyer's election to exercise the option herein granted it. If the buildings and improvements on the property herein described, known as the O'Sullivan Building, should thus be destroyed or damaged after Buyer has given Seller notice of Buyer's election to exercise its option, but prior to the actual conveyance by Seller to Buyer of the property herein described, then in such event the loss or damage thus caused to the improvements on said property shall be for the sole account of Buyer.

(8) If Buyer does not elect to exercise the option by furnishing

Seller with notice thereof, as provided by paragraph numbered (2) hereof, this Agreement shall expire on April 1, 1949, and neither of the parties hereto shall have any further rights, privileges or obligations hereunder.

IN WITNESS WHEREOF, O'Sullivan, Inc., has executed this instrument, in duplicate, by causing it to be signed by its President and its corporate seal to be hereunto affixed, duly attested, and the said State of Maryland-Board of Public Works has also duly executed this instrument, in duplicate, the day and year first above written.

O'SULLIVAN, INC.

(Seal of
O'Sullivan,
Inc.) Attest: G. H. Steffey
Secretary

By R. J. Funkhouser (SEAL)
President

STATE OF MARYLAND - BOARD OF
PUBLIC WORKS

Attest: Joseph O'C. McCusker
Secretary

By Wm. Preston Lane, Jr. (SEAL)
Governor
By James J. Lacy (SEAL)
Comptroller
By Hooper S. Miles (SEAL)
Treasurer

Constituting the Board of Public
Works of Maryland.

STATE OF MARYLAND, CITY OF BALTIMORE, to wit:

I HEREBY CERTIFY, That on this 15th day of October, 1948, before me, the subscriber, a Notary Public, in and for the City and State aforesaid, personally appeared RAYMOND J. FUNKHOUSER, President, O'Sullivan, Inc., and acknowledged the foregoing Agreement to be the act and deed of O'Sullivan, Inc.

AS WITNESS my hand and seal the day and year first above written.

(Seal) Gideon H. Steffey
Notary Public M

After due consideration of the proposed agreement, upon motion of Mr. Lacy, seconded by Mr. Miles, the Board unanimously approved the agreement, and the members of the Board affixed their signatures thereto.

LEASES:

Governor Lane submitted to the Board, for approval, an agreement between the O'Sullivan, Inc. and the State of Maryland for the lease of that suite of offices known as Nos. 1116 to 1125, both inclusive, in the office building in the City of Baltimore known as the O'Sullivan Building, with the post office address of No. 10 Light Street, to be used as offices (offices of the Governor) for the term of three (3) years to commence on the first day of November, 1948, and ending on the thirty-first day of October, 1951, at a rental of \$6,000.00 per annum.

After due consideration, the Board approved the lease and the members affixed their signatures thereto.

ADJOURNMENT:

There being no further business, the meeting was adjourned.

Joseph O. McCusker
Secretary.

